

Department of Labor Standards Enforcement (DLSE) – Privacy Impact Assessment

PIA Approval Date: February 20, 2009

System Overview

DLSE is primarily used to process information submitted by taxpayers from the California garment, agricultural, car washing and polishing industries (companies). DLSE automates the research for federal employment tax requirements in an accurate and timely fashion. These industries (companies) taxpayers complete Form 8821 and send it to the IRS for processing. These industries must be cleared by the IRS in order to successfully operate. If the industry (company) taxpayer is in compliance with federal requirements, a letter is provided to the taxpayer to be presented to the state.

Systems of Records Notice (SORN):

- Treasury/IRS 34.037 IRS Audit Trail and Security Records System
- Treasury/IRS 24.046 Customer Account Data Engine (CADE) Business Master File (BMF)
- Treasury/IRS 42.021 Compliance Programs and Project Files

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer – The data stored in DLSE contains:

- Taxpayer Identification Number (TIN)
- Federal Employer Identification Number (EIN) or Social Security Number (SSN). The taxpayer's SSN is used to identify who is the owner of the business if they file with an EIN. If they are a sole proprietor, an SSN is the only identifying number used.

DLSE also may contain:

- Business name
- Address
- License # (if applicable)
- Telephone numbers
- Tax year
- Taxpayer name
- Taxpayer address
- Appointee information
- Business/Industry info
- Case Status
- Case type
- Date entered/received Case results

B. Employee –

- Tax Examiner (TE) number

C. Audit Trail Information – The DLSE application itself does not require a separate login. The user is granted a shortcut to the application on his or her desktop so that logging onto the IRS network equates to access to DLSE. The following IRS network user activities are logged and the data reviewed by the Modernization and Information Technology Services (MITS) security team on an ad hoc basis:

- logon/logoff by User ID
- password change
- create/delete/open/close file name
- program initiation
- all Systems administrator (SA) and database administrator (DBA) actions.

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. Taxpayer – Taxpayers complete the following forms:

- Form 8821 – Tax Information Authorization

And one of the following depending on their industry:

- Form 810 – Application for Registration – Garment Manufacturing Industry
- Form 401 – Application for Farm Labor Contractor License
- Form 666 – Car Washing and Polishing Registration Application

The data elements obtained from these forms are:

- Taxpayer Identification Number (TIN)
- Federal Employer Identification Number (EIN) or Social Security Number (SSN)

The taxpayer's SSN is used to identify who is the owner of the business if they file with an EIN. If they are a sole proprietor, an SSN is the only identifying number used.

DLSE also may contain:

- Business name
- Address
- License # (if applicable)
- Telephone numbers
- Tax year

B. Employee – The TE number is generated from the employee's Integrated Data Retrieval System (IDRS) number.

3. Is each data item required for the business purpose of the system? Explain.

Yes. The data are used to determine compliance with Department of Labor standards.

4. How will each data item be verified for accuracy, timeliness, and completeness?

DLSE users manually compare the reports to ensure accuracy, timeliness and completeness of each data item on a weekly basis. A monthly Embedded Quality Review System (EQRS) quality review also takes place.

5. Is there another source for the data? Explain how that source is or is not used.

No. There is no other source for the data.

6. Generally, how will data be retrieved by the user?

Data may be retrieved by submitting a query, or generating reports.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?

Yes. Data is retrieved by Federal EIN, SSN or by taxpayer name.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

Users, Managers, System Administrators, and Database Administrator/Developer have access to the data. No contractors have access to the data.

Role: Users

Permissions: Modify access to the database.

Role: Managers

Permissions: Modify access to the database.

Role: System Administrators

Permissions: Full administrator level access to the operating system, application and database.

Role: Database Administrator/ Developer

Permissions: Full access to the application and database.

9. How is access to the data by a user determined and by whom?

Approval for access is determined by the supervisor in accordance with the OL5081 process. The system administrator would then add the user to the global access group.

10. Do other IRS systems provide, receive, or share data in the system?

No.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

Not applicable.

12. Will other agencies provide, receive, or share data in any form with this system?

Data is sent to a centralized location within the Division of Labor, Department of Business Regulations in the state of California. The data is sent weekly via CD and contains taxpayers' information from the California garment, agricultural, car washing and polishing industries about compliance and non-compliance with the Employment Tax Program. No data is received from other agencies. The data is encrypted using GERS software provided to all employees. The recipient of the data is provided with a password so they can open the data when they get it.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?

DLSE data is archived compliant with IRM 1.15.2 retention policy. The retention for Form 8821 is scheduled in IRM 1.15.8 item 52B1. The same retention for the braille version.

14. Will this system use technology in a new way?

No. DLSE does not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.

No. DLSE is not used to identify or locate individuals or groups.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.

No. DLSE does not provide the capability to monitor individuals or groups.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.

No. Use of DLSE does not allow IRS to treat taxpayers, employees, or others differently.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?

Yes. If the taxpayer is in compliance with federal requirements, a license is provided giving the taxpayer the authority to operate. Negatively affected parties may respond to a negative determination prior to final action by resubmitting the required form.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

No. DLSE is not web-based.

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